



2023 BOCC Budget Retreat

REVAL UPDATE

Kenneth L Joyner, RES, AAS, PPS
January 27, 2023



MECKLENBURG COUNTY
North Carolina



County Reval Progress

As of January 24, 2023

Mecklenburg County – Overall Progress

> 100% - of 400,477 parcels

Field Canvassing

> 100% - Complete

Change in Value from 2019 to 2023 Market Levels

- > 52% Total Increase
- > 59% Residential Median Increase
- > 42% Commercial Median Increase
- > \$434,000– Median Sales

Statistical Results to Date

- > 95.9% - Sales to Assessment Ratio
- > 3.149 Coefficient of Dispersion
- > 1.00 Price Related Differential



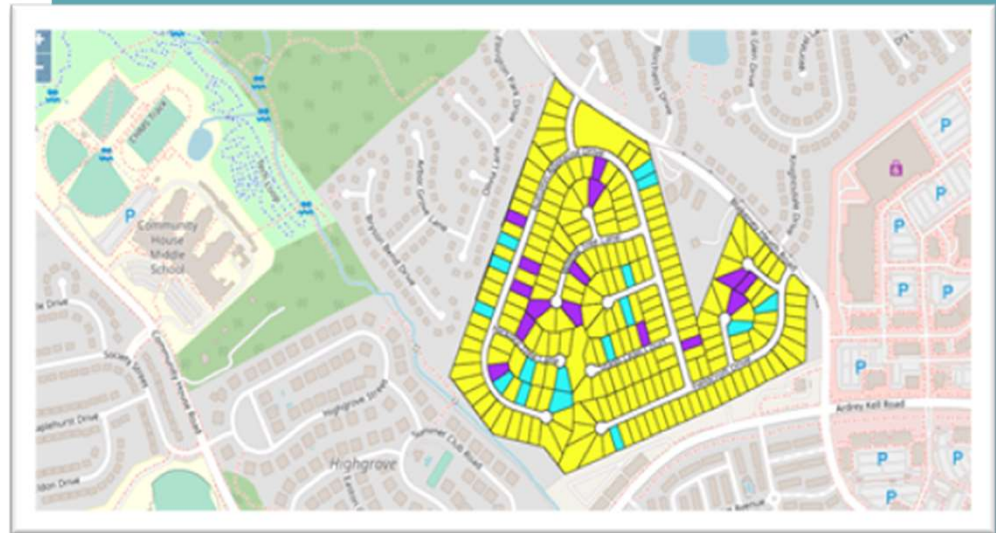
County Overall Progress

As of January 24, 2023

Total Residential Final Review Parcels
Complete: 338,163 (91%)
Total Residential Neighborhoods: 2,859
Total Residential Neighborhoods Complete: 2,371

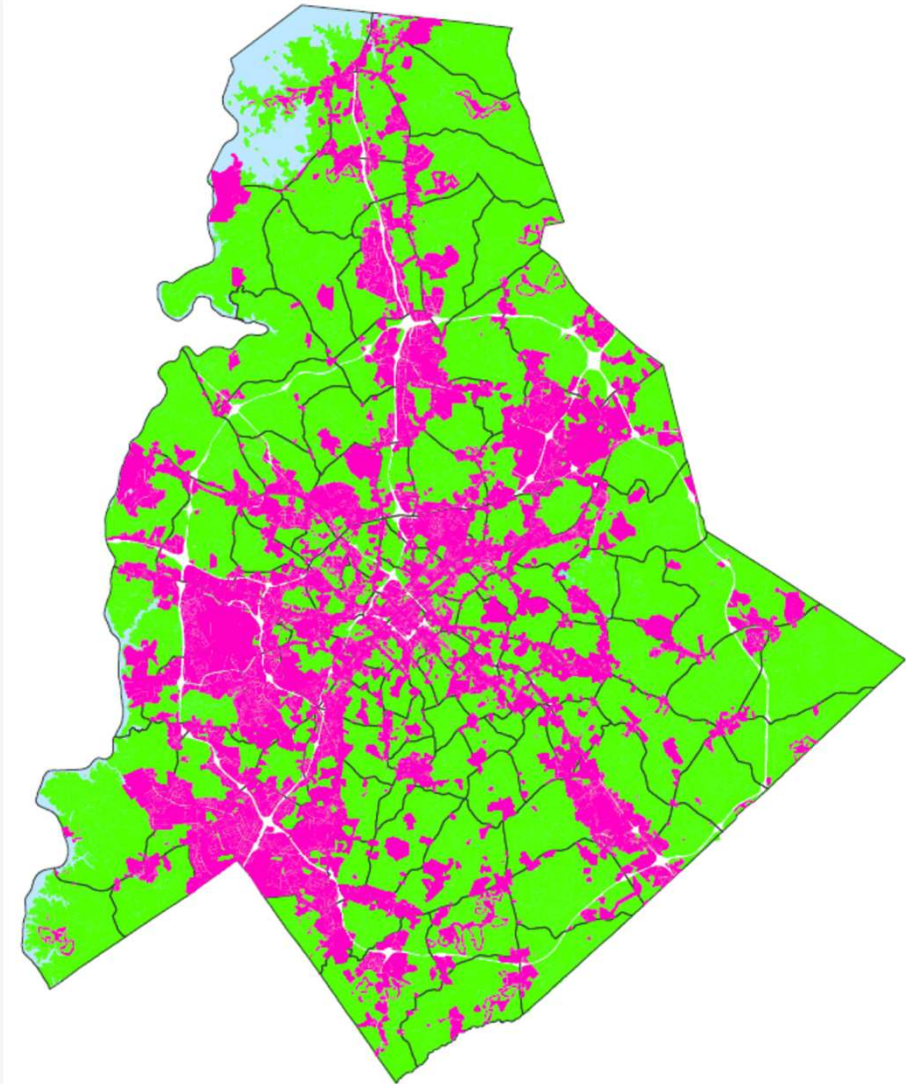
Total Commercial Final Review Parcels Complete:
27,280 (100%)
Total Commercial Neighborhoods: 307
Total Commercial Neighborhoods Complete: 307

Overall Final Review Parcels Complete: 365,443 (91%)
Total NHs Complete: 2,678



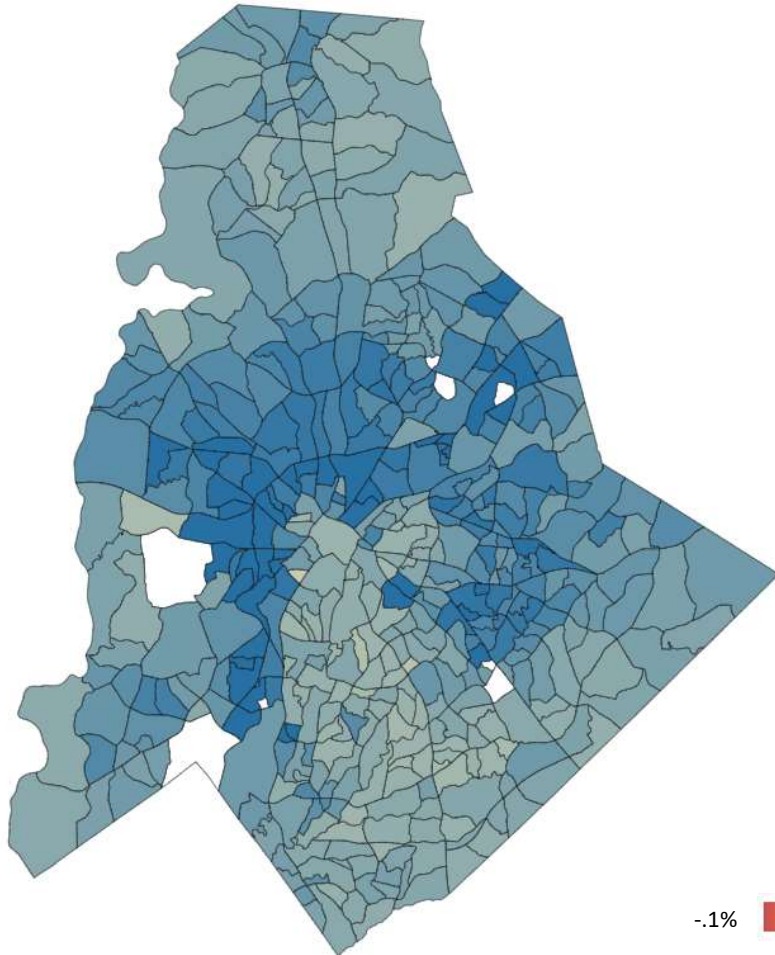
County Reval Progress

As of January 23, 2023

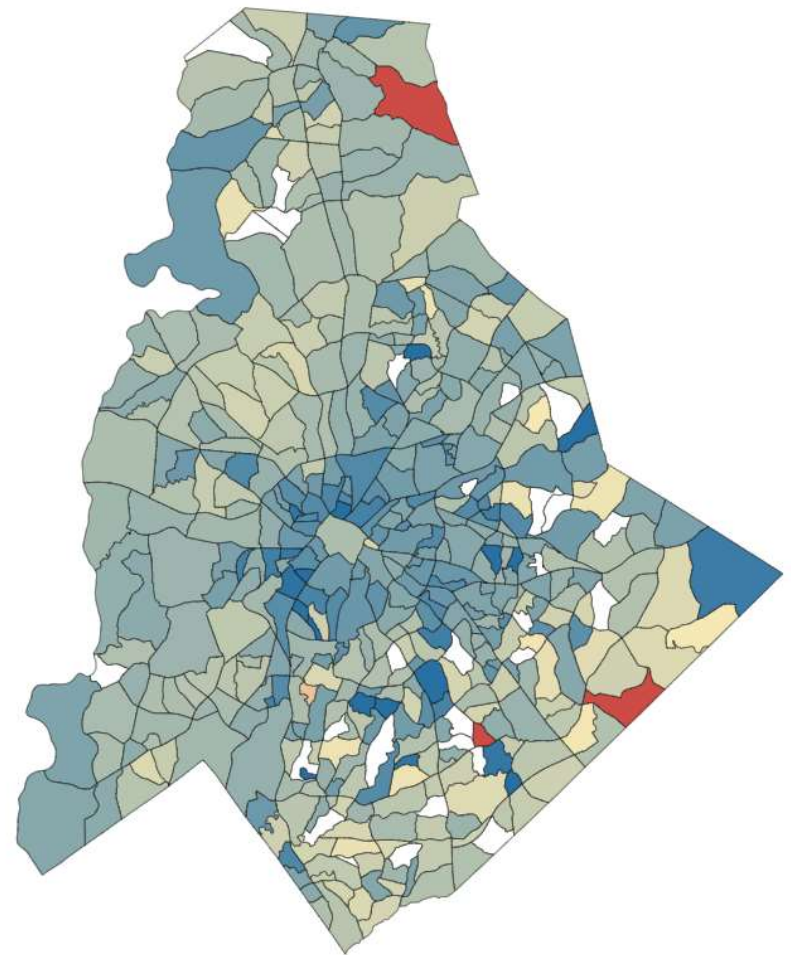


Average Change in Value

Residential



Commercial



-0.1% 100%

Assessor's Office

Communications & Marketing Plan

Media Outreach

- > Press release to local print, TV, and radio media
- > One-on-one interviews

Radio Advertising

- > To include talk radio, plus Black and Hispanic stations

Print/Digital Media

- > Advertising in printed newspapers
- > Advertising in digital newsletters and associated websites
- > Geo-fencing (targeted mobile device ads)
- > Digital billboard (4th street county billboard)
- > Social media advertising

Printed Materials

- > Info cards detailing the appeal process strategically distributed throughout the County

Community Outreach

- > Local faith-based organizations, non-profits, HOAs, BOCC, Meck County email database, etc.



Timing

- > Concentrated communication and marketing efforts will commence one week before the mailing date (March 17) and one week after.



Countywide Community Engagement

DISTRICT 1
12 Community
Presentations



DISTRICT 2
23 Community
Presentations



DISTRICT 3
9 Community
Presentations



97

**Community
Presentations**

DISTRICT 4
30 Community
Presentations



DISTRICT 5
9 Community
presentations



DISTRICT 6
14 Community
presentations



As of 1-24-2023



Notice of Value



Mecklenburg County
Assessor's Office
PO Box 31127
Charlotte, NC 28231
Website: Reval.MeckNC.gov
Phone: 980-314-4226

THIS IS NOT A BILL

<<First Name>> <<Last name>>
<<second owner or c/o>>
<<MailingAddressStreets>>
<<MailingAddressCity>>, <<Mailing AddressState>>, <<MailingAddressZip>>

Date <<Mail date>>

Notice of 2023 Real Estate Assessed Value

Parcel Number	Property Address	Market Value	Deferred Amount*	Assessed Value
<<ParcelID>>	<<Location>>	<<AppraisedValue>>	<<DeferredValue>>	<<AssessedValue>>

Dear Property Owner,

Mecklenburg County has reappraised all property as required by North Carolina General Statute (NCGS)105-286. Pursuant to Chapter 105, Subchapter II of the NCGS, the assessed value above is the market value of your property as of January 1, 2023. Every property owner is entitled to a property visit and observation to verify the accuracy of characteristics that are on record for the property.

Here are your options:

1. If you agree with the assessed value above, **STOP**. You do not need to do anything further. Please keep this information for your records.

2. If you have questions or disagree with your assessed value, follow these steps:

>> Visit Reval.MeckNC.gov and enter the parcel number above to review your assessment.

QR Code to Visit Reval.MeckNC.gov site



>> You can request an informal review of your assessed value online at Reval.MeckNC.gov or by completing the enclosed Informal Review form within **30 days** from the date listed on the 2023 Real Estate Assessed Value Notification. See the back of this page for more information about filing an Informal Review.

>> If you wish to skip the informal review, you can file a Formal Appeal request with the Board of Equalization and Review (BER) by June 9, 2023.

>> For questions Contact the Assessor's Office by emailing AssessorQuestions@MeckNC.gov or calling **980-314-4226(4CAO)**.

>> Si tiene preguntas y necesita asistencia en español, por favor llame al **980-314-4226(4CAO)** y oprime la **opcion 8**.

* Deferred amount is limited to properties in the Present Use Value program (Agricultural, Horticultural and Forestry)

How is my property value determined?



Improvements/Changes



Comparable Property Sales



Aerial Image of
Property Lines



Property Visit by a
County Appraiser

What is a "Notice of Real Estate Assessed Value?"

Mecklenburg County conducts a property revaluation at least every eight years, in accordance with State law. That means every property in the County is reviewed and assessed to determine its market value as of January 1 of the revaluation year.

Why is a change in my assessed value important?

A revaluation is paramount in maintaining fairness and equity in the tax base by aligning property values with current market information.

Your 2023 assessed value may be reviewed/appealed for the following reasons:

YES

Assessed Value is substantially higher than Market Value

Assessed Value is substantially less than Market Value

Assessed Value is inequitable with similar properties

NO

The percentage increase over the previous Assessed Value

Your financial ability to pay the taxes or Insurance Value

Historical construction cost

The deadline to file a Formal Appeal for review by the Board of Equalization and Review (BER) is June 9, 2023.

Property Tax Relief for Qualifying Property Owners

North Carolina allows Elderly or Disabled Property Tax Homestead Exclusions for qualifying individuals. You might qualify for property tax relief if you meet all of the following requirements:

1. Are a North Carolina resident.
2. Are at least 65 years of age or totally and permanently disabled.
3. If your income from all sources for the previous calendar year (2022) is not more than \$33,800.

For more information about this and other exemption/deferral programs, visit Reval.MeckNC.gov or call **980-314-4226(4CAO)**.

Important Dates:

March 17, 2023: Notice of 2023 Real Estate Assessed Value is sent to all Mecklenburg County property owners. You may review your assessed value and property characteristics online at Reval.MeckNC.gov.

June 9, 2023: Board of Equalization and Review adjournment. Deadline for Formal Appeal of Assessed Value to be filed.





QUESTIONS?





Revaluation Scenarios

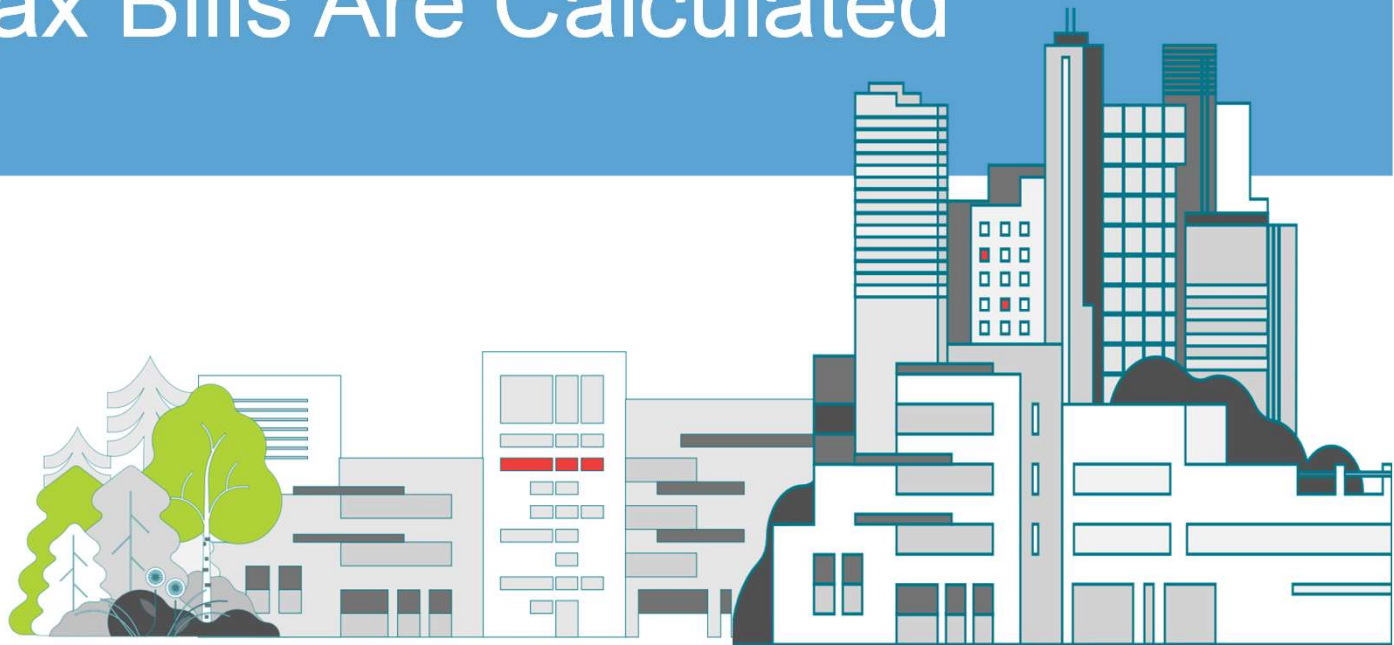
Board Retreat- January 26, 2023

Overview

- How taxes bills are calculated
- What is revenue neutral & how is it calculated
- Tax bill scenarios






How Tax Bills Are Calculated



Property Tax Calculation




Net Cost to Provide Services

FY2023

	Total Cost of Services	\$2,162,471,435
	Other Revenue Sources (Sales Tax, State Revenue, Federal, Fees, Etc.)	\$923,950,226
	Net Cost to Provide Services	\$1,238,521,209

Tax Rate Required to Fund Services

FY2023

	Net Cost to Provide Services	\$1,238,521,209
	Tax Base	\$200,765,331,885
	Tax Rate Required to Fund Services	\$00.6169 per \$100 of value

Based on 99.25% Collection Rate

Commercial & Residential Tax Base

Commercial

- Apartments
- Offices
- Retail (restaurants, grocery stores, gas stations, etc.)
- Industrial
- Globally Owned Businesses
- Small “mom & pop”





Residential





- Owner Occupied Houses
- Rental Houses
- Corporate Owned Rentals
- Developments Under Construction
- Residential Lots





Other

- Public Service Utilities
- Personal Property (Vehicles, Boats, etc.)
- Business Personal Property (Equipment, Supplies)

Examples

Old Values			
Cost of Service		\$10,000	
Tax Base		\$1,370,000	
Tax Rate		72.99¢	
	Old Values	Tax Bill	
1		\$140,000	\$1,022
2		\$230,000	\$1,679
3		\$420,000	\$3,066
Comm.		\$580,000	\$4,234
Total		\$1,370,000	\$10,000

Example 1		
Cost of Service		\$10,000
Tax Base		\$2,065,700
Tax Rate		48.41¢
	New Value	Tax Bill
		\$264,600 \$1,281
		\$374,900 \$1,815
		\$625,800 \$3,029
		\$800,400 \$3,875
Total		\$2,065,700 \$10,000

Example 2		
Cost of Service		\$10,500
Tax Base		\$2,065,700
Tax Rate		50.83¢
	New Value	Tax Bill
		\$264,600 \$1,345
		\$374,900 \$1,906
		\$625,800 \$3,181
		\$800,400 \$4,068
Total		\$2,065,700 \$10,500

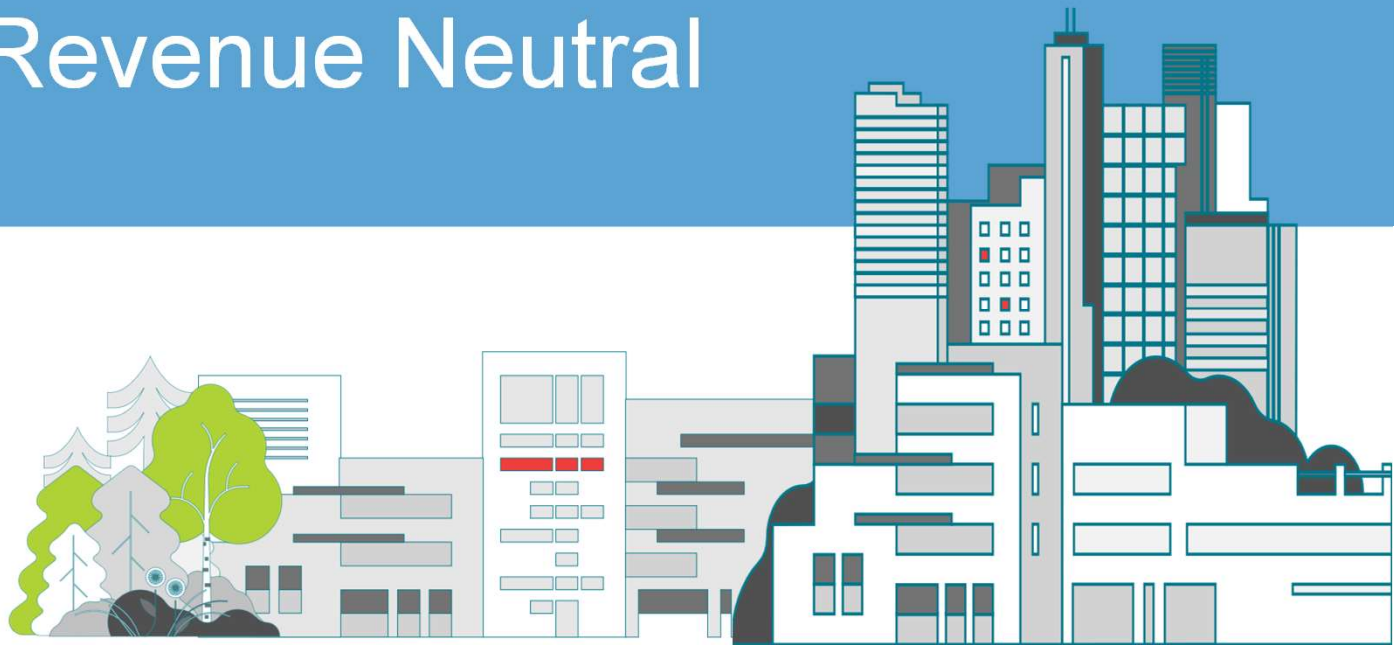
Values in this example are hypothetical and are not based on any real property

Property Tax

- Taxes are based on the cost to provide services that residents want and need
- Total assessed value is used to calculate the tax rate that is needed to fund services
- **All** taxable properties in a jurisdiction pay the **same tax rate**
- Property taxes are based on a property's value
 - Lower valued properties pay a **lower amount** of the tax levy
 - Higher valued properties pay a **higher amount** of the tax levy
- Assessment identifies the **market value** for each property
- **Reassessments ensures that taxes are levied equitably** based on the market value of each property
- Individual taxes are based on the cost of providing services and the value of the property proportional to all other properties
- When **residential property value has increased at a greater rate than commercial property**, then residential properties will pay a greater share of the cost for services through the property tax

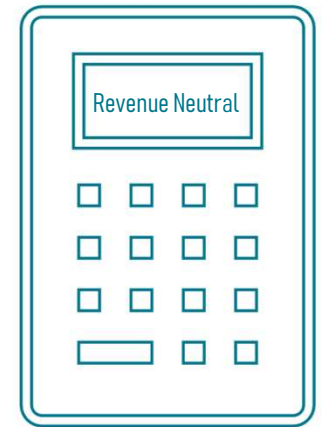


Revenue Neutral



Revenue Neutral

- **Calculation of a rate that would generate the same revenue** accounting for annual growth
- Provides a **comparison** of the tax rate before and after a revaluation
- Published in the budget document
- Calculated **only** after total values and current year revenue growth are known
- **Not required to be adopted**
- Revenue Neutral is a **single value** that does not vary by property
- Is not impacted by expenses, changes in collection, other revenue, rates of other jurisdictions



Revenue Neutral- Preliminary Estimate

FY2023 Tax Base **\$200,765,311,885**

FY2023 Tax Rate **61.69¢**

FY2023 Tax Levy **\$1,238,521,209**

FY2024 Tax Base **\$282,300,000,000**
(preliminary estimate)

Rate Generating Same Revenue **43.87¢**

Average annual growth **2.58%**

Revenue Neutral **45.00¢**
(preliminary estimate)

NC GS 159-11(e)

...To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal....

Tax Bill Scenarios



Methodology

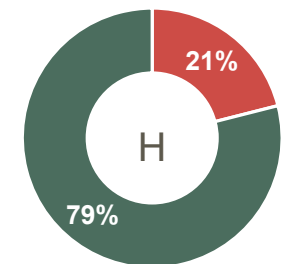
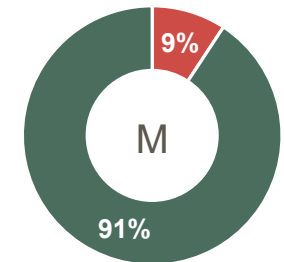
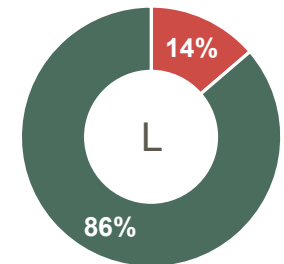
- Listed all properties by their prior values from smallest to greatest
- Divided the list into **3 equal parts** to create ranges (**Low**, **Medium**, **High**)
 - **~115K** properties in each range for residential
 - **~7K** properties in each range for commercial
- Calculated the **average change** in value **for each range**
- Applied the average change within each range to the value that is in the middle of the range to calculate a **potential revaluation outcome** for the property
- Calculated the tax at a rate of 45¢ per \$100 of value (accounting for vehicles and business personal property) for the potential revaluation outcome
- Calculated the percent of property owners that would see any increase or decrease within each value range at a rate of 45¢

Residential Scenarios



Old Value	Tax of 61.69¢	Range	Average Change Per Range	Potential Revaluation Outcome	Tax of 45.00¢	Change	%
\$139,700	\$1,040	Lowest 1/3 rd	89%	\$264,033	\$1,318	\$278	27%
\$232,600	\$1,613	Middle 1/3 rd	63%	\$379,138	\$1,836	\$223	14%
\$420,000	\$2,769	Highest 1/3 rd	49%	\$625,800	\$2,946	\$177	6%

Estimated
 # of Bills Increasing
 # of Bills Decreasing/Flat



• Assumes average vehicle value of \$14,466 (vehicles are not adjusted with revaluation)

• Potential outcomes represent average change for each range applied to value in the middle of the range.

Commercial Scenarios

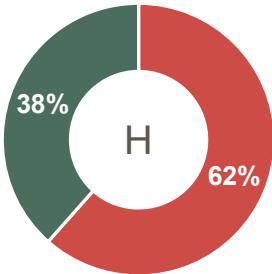
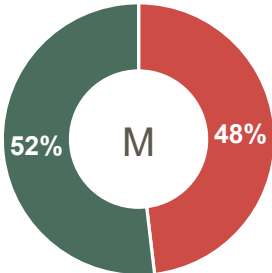
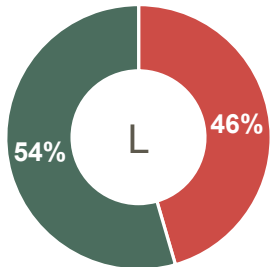


• Business personal property is estimated to be \$3,375 at the lower range, \$17,613 at the middle range, and \$109,021 at the high range.

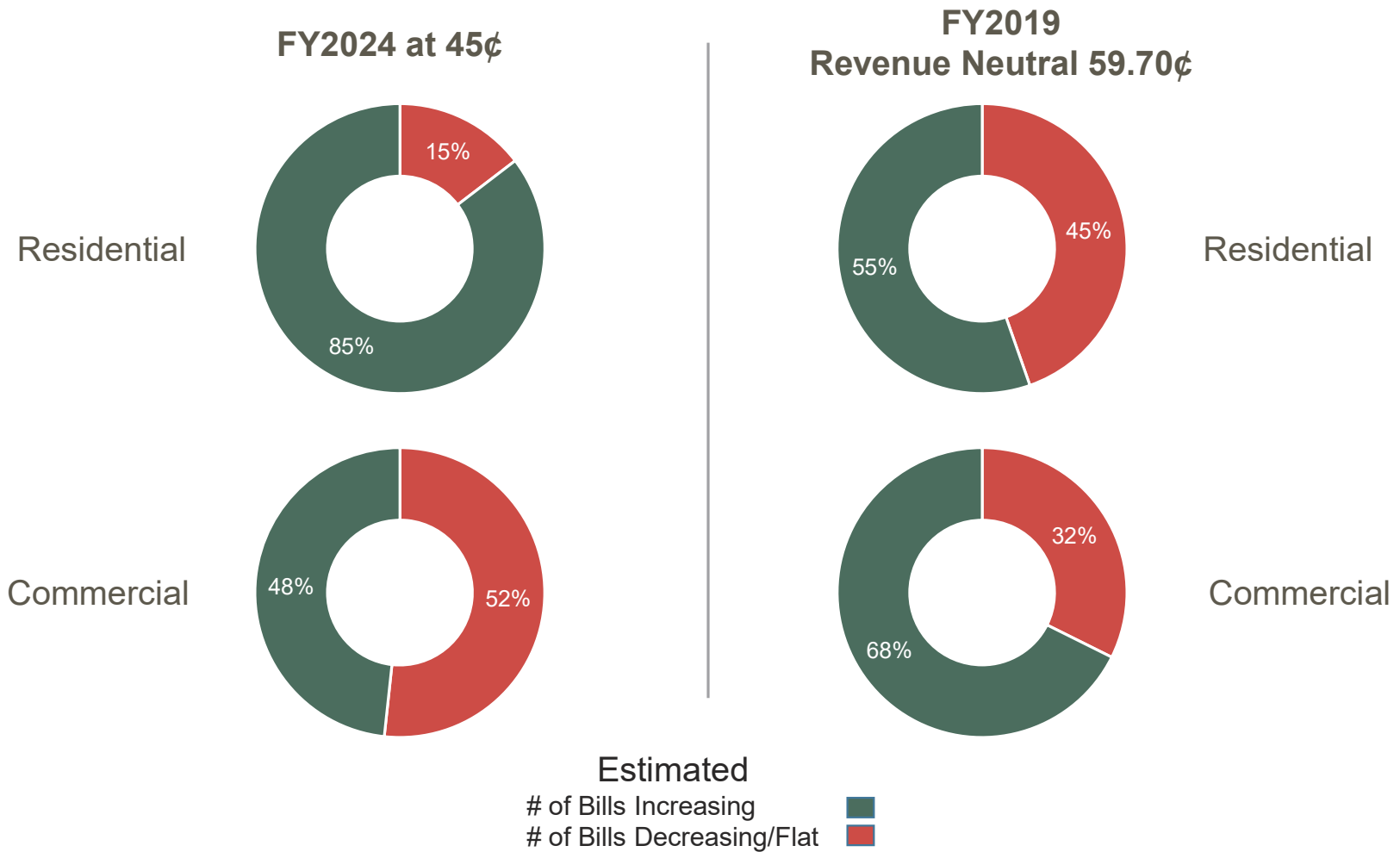
• Potential outcomes represent average change for each range applied to value in the middle of the range.

Old Value	Tax of 61.69¢	Range	Average Change Per Range	Potential Revaluation Outcome	Tax of 45.00¢	Change	%
\$155,100	\$978	Lowest 1/3 rd	55%	\$240,405	\$1,097	\$119	12%
\$580,500	\$3,690	Middle 1/3 rd	49%	\$864,945	\$3,972	\$282	8%
\$3,339,453	\$21,274	Highest 1/3 rd	38%	\$4,608,445	\$21,229	(\$45)	-0.2%

Estimated
of Bills Increasing
of Bills Decreasing/Flat



Compared to Last Revaluation



Key Points

- Revenue neutral will be calculated for comparison with the Manager's Recommended Budget
- Revenue neutral does not mean that individual tax bills will not change
- Values for residential property have grown more than commercial since the last revaluation

